

No. 15714.

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

TALON, INC.,

Plaintiff-Appellant,

vs.

UNION SLIDE FASTENER, INC.,

Defendant-Appellee.

REPLY BRIEF OF PLAINTIFF-APPELLANT,
TALON, INC.

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**REPLY BRIEF OF PLAINTIFF-APPELLANT,
TALON, INC.**

In our opening brief, we demonstrated the validity and infringement of the Silberman '793 Patent in suit and the lack of any license or estoppel or defense of misuse. The answering brief for Union does not answer any of the propositions of fact and law demonstrated by appellant to govern this case in our opening brief, and in leaving them unanswered greatly simplifies the issues. The only substantial issue now before this court is the validity of Silberman '793. We will show hereinafter the complete failure of the appellee to meet the issues thus raised by appellant's appeal and the departures from and distortions of the record to which appellee, Union Slide Fastener, has resorted.

Validity of Silberman '793.

The District Court made no finding that the claims in issue of Silberman are invalid or anticipated by the prior art or that the prior art shows the mode of operation or accomplishes the results of Silberman. Its Conclusion of Law II [R. 189] was that Silberman is an unpatentable aggregation and

“* * * The plaintiff's proofs failed on the issue that the machine of Silberman '793 ever operated.”

The fact basis for that conclusion being clearly erroneous as established by Union's President, Lipson, this conclusion must be reversed. Union has not challenged these controlling issues, and it now resorts to reargument of the prior art.

In our opening brief we demonstrated that the Silberman Patent discloses a new, additional and different function and cooperative relationship from any prior art machine and thus qualifies as a true combination. We challenged the defendant to show to this court any prior device which operates in the manner and performs the functions in the way of the Silberman Patent. This challenge remains uncalled. On pages 7 and 8 the defendant contents itself with stating that the Silberman Patent is an unpropitious collection of old and well-known devices, each performing exactly the same function as it always has done. It has made no analysis of the manner in which the various elements of the Silberman machine function and it has not produced any patent or other prior art device which performs the function we have claimed and demonstrated is inherent in Silberman.

The new cooperative relationship and the new and additional function of the Silberman device is stated at pages 30 and 31 of our opening brief and lies in the fact that the ram which forms the projections and recesses on the strip of metal while the end element is being clamped on the tape, also is the means which cuts off the endmost element as it actuates the closing jaws to attach the element to the tape which moves in a fixed path past the end of the strip. Thus the element is always under complete control while it is being clamped on the tape.

That this is the manner in which the Silberman machine functions is apparent to anyone reading the patent. Our attention has been called to no prior device or combination of devices which does perform or is capable of performing this function. On pages 10 and 11 of its answering brief, the defendant would appear to argue that the presence of this new cooperative relationship and new and different function cannot be relied upon by the plaintiff as it was allegedly not "claimed or specified." This is not the law.

A patentee is entitled to all of the advantages and to the benefit of every function actually possessed by his mechanism even if he does not note it at the time of patenting.

Byers Machine Co. v. Keystone Driller Co., 44 F. 2d 283, 284 (6 Cir.);

Stromberg Motor Devices Co. v. Zenith Carburetor Co., 254 Fed. 68 (7 Cir.);

Gamble-Skogmo v. Paul E. Hawkinson Co., 98 F. 2d 37 (8 Cir.).

Or as this rule is more often expressed in the First Circuit, the failure to state that there is a new mode of operation or new result does not prevent consideration of

the same and taking it into account in determining the scope and validity of a patent.

*Warren Steam Pump Co. v. Blake & Knowles
Steam Pump Works*, 163 Fed. 263 (1 Cir.);

ITS Rubber Co. v. Panther Rubber Mfg. Co., 260
Fed. 937 (1 Cir.).

Accordingly the defendant's failure to show to this court a patent capable of performing the new and different function or involving the new cooperative relationship of the Silberman Patent makes imperative the application by this court of the rule of *Stearns v. Tinker & Razor*, 220 F. 2d 49, cited at pages 33 and 34 of our opening brief, and the Silberman Patent must thus be held to be a valid combination patent.

The Prior Art.

On pages 8-10 of its answering brief, defendant attempts to apply the prior patent to Sundback No. 1,331,-884 to claim 40 of the Silberman Patent. It should be noted that the District Court did not rely upon Sundback '884 as an anticipation, and there is nothing in the record to support any such reliance.

On page 9 under numeral 6, defendant would have this court believe that figures 3 and 19 of Sundback indicate the presence of the element of the claim called for. This element of the claim listed under numeral 6 requires that the closing jaws of Silberman are "immediately at" the position of the separating means for "engaging" and closing the element on the edge of the tape "as it is separated from the strip." This is probably the most important element of the combination because it places the closing jaws and consequently the function of closing legs of the element on the tape immediately at the position of the

separating means. This is the cooperative relationship which assures that the element remains held in a vise-like grip and is an integral part of the fed strip until it is simultaneously cut from the strip and attached to the tape. The court's attention is invited to figure 19 of Sundback, page 1734 of the book of exhibits, and attention is called to the fact that the elements 35 have been cut out of the strip 1 and returned between the scrap edge strips left from the blank five stages in advance of the closing the jaws 46. Thus for the next four operations, the elements 35 are merely carried along with the scrap remaining from the strip and are no longer a part of the strip. After the jaws 46 are retracted, the tape is advanced to pull the cramped on element free from the scrap remaining from the strip.* Thus, if we follow defendant's arguments, the means for separating the element from the scrap is the feed for the tape and not complementary means on the ram and base for both forming and separating the element from the strip as in Silberman. Certainly Sundback's jaws 46 do not close the element on the edge of the tape as it is separated from the strip. Certainly, therefore, the element of Silberman claim 40, numbered 6 on page 9 of defendant's answering brief, is wholly absent from Sundback.

Turning to page 10 of defendant's answering brief, under the numeral 7, the defendant has misquoted claim 40 in that it had omitted the word "the jaws" after the word "engaging" in line 2. The reason for this is obvious as there is nothing "on the ram" of Sundback for "engaging and driving" the closing jaws "into engagement with" the element on the tape. Under numeral 8, the parts

*See page 2, lines 40-48 and page 3, lines 53-56 of the Sundback specification.

referred to are not equivalent. Thus the only patent which defendant has even half-heartedly attempted to assert as an anticipation of Silberman plainly fails to anticipate either verbally or in the sense that it is an equivalent as performing the same function in the same way to achieve the same result. It is immaterial that here and there in other patents casually mentioned certain elements of the Silberman claims may be individually found. Such elements, if old in the art, have been combined by Silberman in a new combination having a new function and a new cooperative relationship.

We cannot let defendant's misleading and inaccurate reference to Smith Patent No. 1,533,352 [R. 1760] pass unchallenged. It is strictly not true that this patent discloses a punch press method wherein an element integral to a strip of stock was severed and attached simultaneously. If the court will examine this patent, it will see that in the first place it is not even a zipper-making machine and in the second place a complete so-called fastener (see figure 3) is manufactured and severed from the strip prior to any attempt to affix it to anything. The patent states, page 2, lines 73-79: "The punching out of the tongue 11 separates the fasteners, *after which* the completed fasteners are clinched to the end walls of the paper box, either as a *subsequent* operation performed by the same die head or as an independent operation." The words "after" and "subsequent" certainly negative simultaneousness.

Infringement of Silberman.

On pages 14-18, defendant argues that it does not infringe the claims of the Silberman Patent for the reason that it makes square rather than round shouldered zipper elements. It is noted that while defendant reproduces the

plates 2 and 3 of the appendix 2 to our opening brief and makes some small and immaterial criticisms thereof, it in nowise argues that the elements of claim 40 cannot be applied as applied in appendix 2 to our opening brief. Thus, our statement in our opening brief to the effect that defendant does not deny that the claims of Silberman in suit apply to the accused devices remains unchallenged. Now, it is strictly immaterial whether the defendant uses an infringing machine to make round shouldered or square shouldered elements.

Neither the patent nor the claims are so limited. The patent says:

“The invention, however, is not intended to be restricted to any particular * * * product * * *”
(Column 3, lines 24-26) and

“Many other changes could be effected in the particular device and product design(ed) * * * without substantially departing from the invention defined in the claims * * *” (Column 17, lines 54-59.)

There are two answers to defendant's argument. The first of these is that a defendant cannot appropriate another man's invention and add something thereto to perform an additional function and thus escape infringement. Thus, the adding of the V-shaped dies to notch the side of the strip so as to result in a square shouldered element does not avoid infringement, all of the elements of the Silberman Patent being retained and these notching elements merely added. See the authorities cited at page 55 of our opening brief. The second answer to defendant's argument is that a patentee is entitled to the benefit of every use to which his invention may be put whether he had it in mind or not. The leading case on this subject is *Western Electric Co. v. LaRue*, 139 U. S. 601 at

606, wherein the Supreme Court of the United States held that a patent on a telegraph key was infringed by using the same mechanism as a telegraph sounder. An oft-cited case on this point is *Deitel v. La Minnette Trading Co.*, 37 F. 2d 41 at 42 (2 Cir.), in which a patent on a savings bank was applied to use of the same structure for a vanity case, and this court most recently applied the rule in *Reinharts, Inc. v. Caterpillar Tractor Co.*, 84 F. 2d 628 (9 Cir.), wherein a device for converting a truck to a track laying vehicle was applied to a tractor. Thus if the mechanism of the Silberman Patent has been converted by the defendant as it apparently has to the production of square shouldered elements, this is merely a use of the Silberman invention to which the patentee is equally entitled and in nowise tends to negative infringement.

Estoppel to Assert the Silberman Patent.

We have pointed out in our opening brief that the facts do not support the holding of estoppel and that defendant's chief witness, Philip Lipson, admitted that he did not rely upon any alleged statement of Mr. McKee, but even if we accept the contrary and assume that because an officer of the plaintiff may have said that he saw no infringement of any patents of the plaintiffs, such estoppel could obviously not apply to a patent not then owned by the plaintiff. This is true as a matter of law and is not dependent upon any conflicting factual claims. Defendant has made no answer whatsoever to this controlling proposition. Talon did not own Silberman '793 at the date of McKee's visit to Union, and any estoppel arising from such visit cannot affect this after-acquired patent.

Union Is Not Licensed Under Silberman.

As we pointed out on pages 48-51 in our opening brief, a full reading of the testimony of the witnesses concerning the meeting of Silberman with Lipson and Loew at the Hollywood Roosevelt Hotel in August, 1948 shows simply that Mr. Silberman proposed a deal which was rejected by Mr. Loew, the President of Union Slide Fastener, and that Mr. Lipson proposed a counter-offer involving the sale of ten machines to Silberman which Silberman did not accept. If you believe Loew, no agreement was made. If you believe Lipson, the same conclusion is reached as he simply made a counter-offer himself. So, however the evidence is resolved and however the facts are determined, no agreement which could amount to a license can be spelled out and the defendant has not aided this court in any way by indicating its theory as to how such an agreement can be construed from the facts however taken.

Union's Burglary and Fire.

Union now abandons its charge that McKee of Talon acquired knowledge of improvements made by Lipson of Union one year before Lipson made any such improvements. Union now resorts to the fantastic inference that Talon burglarized Union's premises to acquire this information.

Defendant's brief though not actually coming right out and saying so infers that a burglary and arson perpetrated upon the premises of the Union Slide Fastener Company October 2, 1949, were perpetrated by the plaintiff or agents of the plaintiff. Such inferential charge is scandalous, has no support in the record and should be a sufficient basis for striking from the files defendant's entire brief.

Throughout this entire appeal, the defendant has been most reckless in departing from the record, distorting the record and misquoting the record. In its brief on the antitrust issues, the defendant has made a wholly baseless charge that the plaintiff has sold zippers below cost. In its present answering brief, defendant has misquoted claim 40 as pointed out above, and with respect to the alleged fire has distorted the only evidence in the record to give it a false and misleading appearance. Thus, on page 6 of defendant's answering brief, it is stated that the plant was burglarized and fired with the burglars "singling out blueprints covering the latest innovations in chain machine design developed by Lipson." Again, on page 19 of defendant's answering brief, defendant makes the bald statement that the only items, other than petty cash and stamps found missing, were drawings and blueprints of the new designs. To support this, the record contains only the following:

"They broke a lock on one of our drawing cabinets—I mean on our cabinet where we kept our blueprints and drawings and over half of our drawings and blueprints were missing and the place was set on fire.

"Q. Did those drawings relate, or any of them, relate to items which you had developed as improvements on your zipper manufacturing machinery? A. Yes." [R. 955.]

It is a clear distortion of the record to state that this testimony infers that only blueprints of the new designs were taken. Admittedly, Mr. Lipson filed an affidavit in support of defendant's motion for a new trial which makes such statement. But, of course, that affidavit must be disregarded on this appeal as forming no part of the record on the case in chief.

Defendant has not and cannot point out one item of evidence that would in any way connect the plaintiff or any agent of the plaintiff with defendant's burglary and arson. To recklessly infer as defendant does without a scintilla of proof that such acts are chargeable to plaintiff is simply scandalous, and were such charges positively made in an unprivileged document would undoubtedly result in both civil and criminal prosecution of the defendant for civil and criminal libel.

Attorneys' Fees.

On pages 75-77 of our opening brief, we have pointed out that this case is not a proper one for the award of attorneys' fees and that Findings XXXXIII, XXXXIV and XXXXV are clearly erroneous. Defendant has now stated on page 19 of its brief the facts which it believes sustain the award of attorneys' fees. Let us examine these facts one by one:

(a) The commencement of this action by Talon upon no further investigation after an inspection of defendant's machine by Mr. McKee had found no infringement: There is no evidence in this case that this suit was commenced by Talon without further investigation other than McKee's inspection. Mr. Lipson has testified as to the sale of machines to Loew and to Mexico [R. 928], and plaintiff had ample opportunity to inspect these.

(b) The pirating by Talon of improvements made by Union under the cloak of this inspection: We have pointed out in our opening brief that these improvements occurred in 1949 and the inspection in 1948, so this charge is obviously baseless.

(c) Talon's failure to permit the adjudication of the patents in issue: The answer to this is that Talon is

not afraid to fight (see litigated cases listed page 15 of our opening brief) and that the settlement of litigation is favored rather than frowned upon.

(d) Admissions by Silberman that his patent would not stand up: If such an admission were made, it would be merely the expression of an opinion on a matter of law by a layman binding upon no one.

(e) Talon's weak opinion of 5 of its 6 patents upon which suit was brought: The simplification of the issues in any lawsuit is a meritorious act and it is to be noted that 4 of the 6 patents were dismissed from the action as early as November 24, 1952, whereas the trial began March 1, 1955 [R. 99].

(f) The dismissal as to the Poux Patent '017: Certainly there is nothing improper in the plaintiff dropping its appeal as to a patent which has been held void for inoperativeness.

(g) The use of Talon's patents as a club to exact quota license agreements: The exacting of restrictive license agreements from strangers to the record and competitors of the defendant can in nowise have injured the defendant and can afford no basis for an award of money to the defendant.

(h) The sudden economic pressure asserted against Union after the commencement of this litigation: This allegation has no support in the record, the only reference referred to being an affidavit of Lipson filed upon his motion for a new trial as to the counterclaim only, and there is not one iota of evidence in the record showing any economic pressure by plaintiff against the defendant. Specifically, plaintiff has never interfered by notice or letter or otherwise to defendant's customers with defendant's sale of its products.

(i) And finally the mysterious fire: This has been dealt with above.

From the foregoing résumé of the alleged acts of the plaintiff which defendant relies upon as supporting the finding of bad faith on behalf of the plaintiff, it is at once apparent that none of them supports such findings, and as pointed out in our opening brief the findings relied upon are obviously clearly erroneous and the award of attorneys' fees should be reversed. In any event, under the rule of *Dubil v. Rayford Camp & Co.*, 184 F. 2d 899, which like this case, involved a nine-day trial of a patent case, the award of \$20,000 is clearly excessive.

Conclusion.

In conclusion it is submitted that by our opening brief, we have demonstrated the validity and infringement of the Silberman Patent and the lack of any defense of license, estoppel or misuse. We have shown that the findings of fact upon which these various defenses are based are clearly erroneous and constitute reversals on the part of the trial court of its conclusions when the evidence was fresh in mind. In its answering brief the defendant has shown no valid reason for challenging the conclusions reached in our opening brief and we have demonstrated the validity and infringement of the Silberman patent in suit, its invulnerability of attack based upon any of the prior art and particularly the Sundback '884 Patent and the lack of any license or estoppel. We reiterate our vehement objection to the scandalous innuendoes of the defendant inferentially without cause charging the plaintiff with arson and burglary, and we have shown that the record of this case is completely void of any ground for assessing any attorneys' fees against the

plaintiff let alone the obviously excessive \$20,000 fee awarded by the District Court.

Justice in this case demands a complete reversal of the District Court.

Respectfully submitted,

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